

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF LOUISVILLE GAS)	
AND ELECTRIC COMPANY TO MODIFY ITS)	CASE NO. 95-037
FIRM TRANSPORTATION SERVICE TARIFF)	

O R D E R

On July 12, 1995, Commonwealth Energy Services, Inc. ("CES") filed its application for rehearing of the Commission's June 27, 1995 Order in this proceeding. CES requested further tariff modifications on four issues. CES sought alternatives to daily balancing which it considers less onerous. It would have the Commission require installation of telemetry equipment for a cross-section of system users and spread related costs to all customers rather than charging only FT customers. CES also seeks permission for customers to take assignment of supply or service obligations and elimination of the requirement that all FT elections be made by April 30 of each year. Finally, it seeks elimination of the Operational Flow Order ("OFO") penalty when a customer's imbalance benefits the system.

On July 19, 1995, Louisville Gas and Electric Company ("LG&E") filed its response. It stated that CES had already had ample opportunity to introduce and provide support, with cost justification, for its alternative proposals to daily balancing. LG&E argues that system-wide installation of telemetry equipment is without merit and unsupported by any evidence submitted in this

proceeding. It notes that assignment of LG&E's service obligations has already been addressed in this proceeding and that CES has not presented any evidence showing why Rate FT conversion decisions cannot be made by April 30 of each year. It further states that no penalties will be involved in the imbalance situations described by CES and, therefore, the relief sought by CES on this issue has already been granted. LG&E concludes that CES has presented neither arguments nor evidence supporting its request for rehearing.

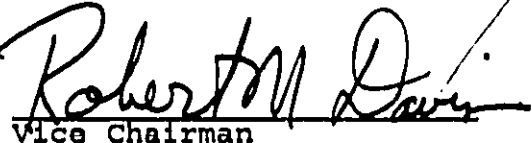
The Commission finds that on the first three issues for which rehearing and modifications are requested, CES has not offered additional evidence that could not with reasonable diligence have been offered at the hearing. Regarding the OFO, the Commission agrees that an imbalance which benefits the system when an OFO is in effect will not result in a penalty. Therefore, the issue does not require rehearing.

IT IS THEREFORE ORDERED that CES's rehearing request is hereby denied.

Done at Frankfort, Kentucky, this 1st day of August, 1995.

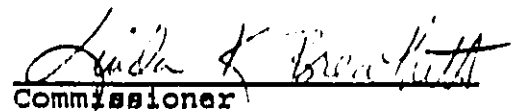
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner